



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
INSTALLATIONS AND ENVIRONMENT
110 ARMY PENTAGON
WASHINGTON DC 20310-0110



REPLY TO
ATTENTION OF

February 12, 2004

Honorable Duncan Hunter, Chairman
Committee on Armed Services
United States House of Representatives
2265 Rayburn House Office Building
Washington, D.C. 20515-0001

Dear Mr. Chairman:

Pursuant to the provisions in the Conference Report of the Committee of Conference accompanying the Military Construction Appropriations for Fiscal Year 2004 (House Report 108-342), this letter notifies you that the Army intends to award a contract to develop a Community Development and Management Plan (CDMP) for the privatization of military family housing at Fort Bliss, Texas. The Army will award the contract no sooner than 30 days after the date of this notification. An Information Paper summarizing the intended project is enclosed.

The developer, selected under a Request for Qualifications (RFQ) process, will work closely with the Army to prepare the CDMP for Fort Bliss. This plan will be fully coordinated with the Office of the Deputy Under Secretary of Defense for Installations and Environment (DUSD(I&E)) during its development. Once the plan is completed and approved, the Army will notify Congress that it intends to authorize the developer to implement the CDMP. The Army will not authorize the developer to proceed with implementation of the CDMP until Congress has at least 45 days to review the terms of the CDMP.

The DUSD(I&E) concurs with this notification. We would be pleased to provide you with any additional information you may need. This letter has been sent to the House and Senate Armed Services and Appropriations Committees, as well as the appropriate subcommittees of jurisdiction.

Sincerely,

for Don Spigeln
William A. Armbruster

Deputy Assistant Secretary of the Army
Privatization and Partnerships

Enclosure

cc: Honorable Ike Skelton, Ranking Member

INFORMATION PAPER

SUBJECT: FORT BLISS RESIDENTIAL COMMUNITIES INITIATIVE (RCI)

The Army conducted a full and open competition for three RCI projects in the Midwest region of the United States using a Two-Step Request for Qualifications (RFQ) solicitation process. On March 19, 2003, the Army issued an RFQ (Step One) for three housing privatization projects: (1) Fort Leonard Wood, Missouri, (2) Fort Sam Houston, Texas, and (3) Fort Bliss, Texas. On June 2, 2003, the solicitation period ended and the Army began the evaluation of responses to down-select to a competitive range of highly qualified offerors. Offerors advancing to the competitive range (Step Two) subsequently compete for award of the individual installations. The Army will soon begin the process of reviewing Step Two responses for the Fort Bliss project and intends to award a contract to a developer to prepare, jointly with the Army, a Community Development and Management Plan (CDMP) no sooner than 30 days after this notification to Congress. The CDMP will define all aspects of the project to include construction, revitalization, and operation of the units. The Army estimates that this planning process will take approximately six months. Upon approval by the Army and OSD, the Army will provide the CDMP to Congress for review 45 days prior to taking any action to authorize its implementation. For each specific installation, the selected developer (contractor), having been duly qualified as the best value for the Government to revitalize family housing, may be permitted to undertake a variety of other residential housing projects such as barracks or bachelor officer quarters.

- Currently, Fort Bliss has 2,762 government-owned family housing units, 206 of these units are considered historic.
- The current Housing Market Analysis indicates the need for 3,611 units at Fort Bliss. Offerors will be asked to address these needs, within economic constraints of the project.
- The developer will be expected to assume responsibility for the installation's family housing units, and will be provided a long-term interest in the underlying land. The renovation or construction will be completed during the first ten years of the project. Throughout the fifty-year lease period, the selected entity will operate and maintain all the housing.